

HOUSE BILL 1632

By Warner

AN ACT to amend Chapter 93 of the Private Acts of 1920; as amended by Chapter 740 of the Private Acts of 1925; Chapter 540 of the Private Acts of 1939; Chapter 136 of the Private Acts of 1949; Chapter 91 of the Private Acts of 1959; Chapter 36 of the Private Acts of 1999; Chapter 148 of the Private Acts of 2000; Chapter 104 of the Private Acts of 2004 and Chapter 21 of the Private Acts of 2005; and any other acts amendatory thereto, to authorize and empower the Richard City and Deptford Independent School District to issue up to \$2,350,000 of school bonds and notes; and to provide for the pledge, levy and collection of taxes to pay debt service on said bonds and notes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. The Richard City and Deptford Independent School District, located in Marion County, Tennessee (the "District"), created by Chapter 93 of the Private Acts of 1920 (Extraordinary Session) of the State of Tennessee, as amended by Chapter 740 of the Private Acts of 1925, Chapter 540 of the Private Acts of 1939, Chapter 136 of the Private Acts of 1949, Chapter 91 of the Private Acts of 1959, Chapter 36 of the Private Acts of 1999, Chapter 148 of the Private Acts of 2000, Chapter 104 of the Private Acts of 2004, Chapter 21 of the Private Acts of 2005, and all other Acts amendatory thereto, if any, (the "Act of Incorporation") is hereby authorized and empowered to issue and sell, by resolution of the Board of Trustees (the "Board") of the District, bonds and/or notes in the aggregate principal amount of not to exceed two million three hundred fifty thousand dollars (\$2,350,000) in the manner provided below:

(a) The District is hereby authorized and empowered to issue and sell, by resolution of its Board, school bonds and notes for the purpose of providing funds for (i) the construction, improvement, renovation, expansion, furnishing, and equipping of school buildings and facilities, and additions thereto, in and for the District, including the purchase of all property, real and personal, or interests therein, necessary in connection therewith, (ii) the funding of all accounts and funds necessary and proper in connection

with the issuance and sale of the bonds and notes as the Board shall determine, (iii) the payment of interest on the bonds and notes during the period of construction and for six (6) months thereafter and (iv) the payment of all legal, fiscal, administrative, architectural, engineering, accounting, and similar professional and other costs incident thereto and to the issuance and sale of the bonds and notes. The maximum aggregate principal amount of school bonds and notes authorized to be issued shall be limited to two million three hundred fifty thousand dollars (\$2,350,000). No public referendum or election of the voters of the District shall be necessary in order for the District to issue and sell the bonds and/or notes authorized pursuant to this subsection.

(b) The bonds and notes may be sold at competitive or negotiated sale at such times, in such amounts, and with such terms as may be approved by resolution of the Board; provided, that the maximum maturity of any bond or note issued shall not exceed twenty-two (22) years from issuance and the rate or rates of the bonds and notes shall not exceed the maximum rate permitted by Tennessee law.

(c) The District is further authorized, by resolution of its Board, to issue and sell notes of the District in anticipation of the issuance of the bonds authorized herein. The notes shall mature at such time or times, not exceeding five (5) years from their respective dated dates, and shall be sold in such manner and upon such terms as shall be provided by resolution of the Board. Bond anticipation notes shall also be payable from and secured by the proceeds of the bonds in anticipation of which they are issued. Notwithstanding anything herein to the contrary, bond anticipation notes may be issued in an amount not to exceed two million three hundred fifty thousand dollars (\$2,350,000) in addition to the issuance of not to exceed two million three hundred fifty thousand dollars (\$2,350,000) of school bonds, provided that such notes are to be retired by the bonds.

(d) The District is further authorized, by resolution of its Board, to borrow money and issue its bonds for the purpose of refunding the bonds and notes authorized herein

or that may have been previously issued by the District. The refunding bonds shall be sold at such times, in such manner, and upon such terms as shall be provided by resolution of the Board, and notwithstanding anything herein to the contrary shall be in an amount necessary to refund such bonds or notes.

(e) The Board of the District is authorized and empowered to do and perform all acts and enter into all agreements which may be necessary or desirable in connection with the issuance and sale of any and all bonds and notes authorized herein, and to delegate the power to consummate all such acts and execute and implement all such agreements on its behalf as the Board shall deem necessary or desirable.

(f) The bonds and notes authorized hereunder shall be issued in fully registered form and shall be executed as provided in the Tennessee Public Obligations Registration Act and in the resolution adopted by the Board.

(g) Any bonds or notes issued hereunder shall be paid from the taxes levied by authority of the Act of Incorporation. Notwithstanding any provision of the Act of Incorporation to the contrary, all taxes levied pursuant thereto are specifically authorized to be used to pay the principal of and interest on any bonds and notes issued pursuant to this subsection. The Board of the District is hereby authorized to pledge such taxes as necessary to pay the principal of and interest on the bonds and notes authorized herein. The taxes shall constitute a lien on the property against which they are levied with the like force and effect as due county taxes.

(h) The Board is also authorized, but not required, to pledge to the payment of the bonds and notes all or a portion of (i) any funds received by the District under the Tennessee Basic Education Program available to be used for capital outlay expenditures, as set forth in Tennessee Code Annotated, Section 49-3-351, and related sections, (ii) its share of the Local Option Sales and Use Tax now or hereafter levied and collected in Marion County, Tennessee, pursuant to Tennessee Code Annotated, Section 67-6-712, and (iii) any other funds received from the State of Tennessee, or any

of its authorities, agencies, or instrumentalities, for school purposes and available to be used for capital outlay expenditures.

(i) The bonds and notes and all income therefrom, shall be exempt from all state, county and municipal taxation in the State of Tennessee, except excise and franchise taxes and except as otherwise provided by applicable law.

SECTION 2. No additional tax levies are levied hereby. The property taxes heretofore levied by the Act of Incorporation are hereby affirmed at the rates set forth therein, subject to the procedures set forth in Tennessee Code Annotated, Section 67-5-1704, relating to countywide reappraisal. In addition, in the event the total assessed value of all property subject to the tax hereinabove described declines by more than ten percent (10%) from January 1 of any year to January 1 of the next succeeding year, or declines by more than fifteen percent (15%) from January 1 of any year to January 1 of the second succeeding year thereafter, at the request of the Board of the District, the county assessor of property shall certify to the county trustee and the Board of the District the total assessed value of taxable property within the District and furnish the county trustee and the Board of the District an estimate of the total assessed value of all new construction and improvements not included on the assessment roll of the base year and all deletions from the assessment roll of the base year. Upon receipt of said information and certifications, the county trustee shall adjust the tax rate to an adjusted rate which is estimated to provide to the District the same tax revenue as was provided by said tax in the base year, exclusive of such new construction, improvements, and deletions, in accordance with policies established by the state board of equalization pursuant to Tennessee Code Annotated, Section 67-5-1701(b), or any successor thereto. Taxes levied for debt service shall be pledged and applied first to pay principal of and interest on indebtedness issued by the District, including the bonds and notes authorized herein. Any amounts in excess thereof may be used, at the discretion of the Board of the District, for any and all capital and/or operating expenses of the District.

SECTION 3. In the event that the laws creating the District are repealed or the District is abolished, that portion of such laws levying a tax, the proceeds of which are pledged to the payment of outstanding bonds and indebtedness of the District, shall remain in full force and effect with respect to the real and personal property within the District to the extent necessary to satisfy the District's debt service requirements with respect to said bonds, notes, and indebtedness, and the outstanding bonds, notes, and indebtedness of the District shall remain binding and valid obligations of the District the same to be paid out of funds collected in respect of the tax herein authorized. In such event, the said remaining tax shall continue to be collected by the county trustee and funds collected in respect thereof shall be paid in respect of the District's outstanding bonds, notes, and indebtedness by the District until such bonds, notes, and indebtedness have been paid in full.

SECTION 4. The provisions of this Act are intended to supersede any contrary provisions of the Act of Incorporation heretofore adopted.

SECTION 5. If any provision(s) of this Act or the application thereof shall be held by any court of competent jurisdiction to be invalid or unenforceable to any extent, the remainder of this Act and the application of such provisions shall not be affected thereby, shall be enforced to the greatest extent permitted by law and are declared to be severable.

SECTION 6. This act takes effect upon becoming a law, the public welfare requiring it.